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12-21-04
DateEllen Huffman
Ellen Huffman**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant(s): Frank D. Tuttle	Group Art Unit: 3628
Application No.: 09/518,837	Examiner: Frantzy Poinvil
Filed: 03/03/2000	Attorney Docket No.: 800470
Title: Loan Compliance Auditing System and Method	

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***APPLICANT'S RESPONSE UNDER 37 CFR 1.193(b)(2)(ii)
REINSTATEMENT REQUEST***

Dear Sir:

This response is in reply to the Office Action having a mail date of November 4, 2004, wherein the Office reopened prosecution after Applicant filed a Notice of Appeal and an Appeal Brief. Applicant requests reinstatement of the Appeal under 37 CFR 1.193(b)(2)(ii) and the Appeal Brief filed on August 2, 2004. The following Supplemental Appeal Brief is submitted concurrently with Applicant's Reinstatement Request and in response to the Office Action having a mail date of November 4, 2004. Applicant requests that the Appeal Brief filed on August 2, 2004, be incorporated herein by reference, including Appendix A, Claims on Appeal. The following Supplemental Appeal Brief presents arguments in rebuttal to the fourth Office Action of November 4, 2004, wherein the Office again rejected all pending claims 1-42 of the subject application based on yet another and third cited reference of Acosta et al. The first

Office Action relied on a first set of cited references of McClelland et al and Pepe et al to reject all pending claims 1-42. The second and third Office Actions relied on a second set of cited references of Davidson and CompliancePro to reject all pending claims 1-42.

SUPPLEMENTAL APPEAL BRIEF CONTENTS

SECTION / DESCRIPTION	PAGE
1. Real Party in Interest	4
2. Related Appeals and Interferences	4
3. Status of Claims	4
4. Status of Amendments	4
5. Summary of Invention	4
6. Issue	6
7. Grouping of Claims	6
8. Arguments	6
8.1 General Discussion of the Lack of Establishment of a Prima Facie Case of Anticipation Applicable to All Claim Rejections under 35 U.S.C. Section 102(e)	6
8.11 Arguments for Independent Claim Rejections Under 35 U.S.C. § 102(e)	8
8.12 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 102(e)	15
8.13 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 103(a)	22
9. Summary	23
Appendix A Claims on Appeal	24

1. REAL PARTY IN INTEREST

The real party of interest is the assignee of record, Mavent, Inc.

2. RELATED APPEALS AND INTERFERENCES

Other than the original Appeal Brief filed on August 2, 2004, no other appeals or interferences are pending which would affect, or be affected by, or have bearing on the Board's decision.

3. STATUS OF CLAIMS

This section is incorporated by reference from Applicant's Appeal Brief filed on August 2, 2004.

Regarding the Office Action of November 4, 2004, Claims 1-42 stand rejected by the Office under 35 U.S.C. §§ 102 (e) and 103(a). Claims 1-20, 22-33, 39 and 41-42 stand rejected by the Office under 35 U.S.C. § 102 (e) as being anticipated by Acosta et al. (U.S. Patent No. 6,643,625). Claims 21, 34-38 and 40 stand rejected under 35 U.S.C. 103(a) as unpatentable over Acosta et al. (U.S. Patent No. 6,643,625).

The rejections of claims 1-42 are under appeal.

4. STATUS OF AMENDMENTS

This section is incorporated by reference from Applicant's Appeal Brief filed on August 2, 2004. There are no outstanding amendments to the application. This Reinstatement Request has added no new amendments.

5. SUMMARY OF INVENTION AND CITED ART

This section is incorporated by reference from Applicant's Appeal Brief filed on August 2, 2004.

Note that as described in the first paragraph beginning on page 10, line 3 of Applicant's specification, the software provides means for building compliance rules in math-like equations to represent State and Federal requirements or restrictions, which are stored in a compliance rules data library. As described on page 2, line 17 to page 3, line 12 of Applicant's specification, the software audits compliance with laws or regulations, and utilizes an interface and data scheme for entering and storing compliance and lending rules. When a compliance request is received from a user, the software identifies the loan type and licenses required, and evaluates whether the data elements of a loan file comply with state and federal requirements for the applicable jurisdiction stored as compliance and lending rules. The software then responds to the user request by indicating compliance and noncompliance with applicable rules and requirements.

In contrast to Applicant's disclosed invention, the Acosta reference cited by the Office does not automatically determine compliance with State and Federal requirements using computer-encoded, math-like compliance rules to represent State and Federal requirements or restrictions. According to the Acosta disclosure in column 2, line 13 to column 2, line 44, "the invention comprises computer-assisted method for auditing loan portfolios and loan servicing portfolios...comprising the steps of storing on a server a computer record for each loan in a portfolio; storing on the server rules which comprise each current and historical legal regulation and any investor-specific parameter applicable to each type of loan...storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types; periodically adding questions to the set of questions as new regulations or parameters are promulgated;...automatically creating and transmitting to an auditor client workstation the audit sample subset of records and a checklist of questions keyed to the selected

audit type; storing auditor's answers to the checklist questions,...storing any auditor recommendations...and automatically generating management reports comprising...". The Acosta disclosure describes storing the actual textual legal documents used to create a checklist of questions, which are sent to an auditor for answers. The auditor enters the answer to the checklist of questions and sends the answers back to a server where an Exception Rate is calculated and management reports are generated (see Acosta column 5, line 30, to column 6, line 20).

6. ISSUES ON APPEAL

The following issues are presented for review in this Supplemental Appeal Brief:

Issue 1: Whether claims 1-20, 22-33, 39 and 41-42 are anticipated under 35 U.S.C. § 102 (e) by Acosta et al. (U.S. Patent No. 6,643,625); and

Issue 2: Whether claims 21, 34-38 and 40 are unpatentable under 35 U.S.C. 103(a) over Acosta et al. (U.S. Patent No. 6,643,625).

7. GROUPING OF CLAIMS

For each ground of rejection which Appellant contests herein that applies to more than one claim, such additional claims, to the extent separately identified and argued below, do not stand or fall together.

8. ARGUMENTS

8.1 General Discussion of the Lack of Establishment of a Prima Facie Case of Anticipation

Applicable to All Claim Rejections under 35 U.S.C. Section 102(e)

The Office has rejected claims 1-20, 22-33, 39 and 41-42 under 35 U.S.C. § 102 (e) as being anticipated by Acosta et al. (U.S. Patent No. 6,643,625). The Office has the burden of establishing a *prima facie* case of anticipation. To establish a *prima facie* case of anticipation, the

Office must provide (1) a single prior art reference (2) that teaches or enables (3) each of the claimed elements, arranged as in the claim, (4) expressly or inherently, (5) as interpreted by one of ordinary skill in the art. “A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.”

Verdegaal Bros. V. Union Oil Co. of California, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987), MPEP § 2131. “Anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim.”

Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1984). “In deciding the issue of anticipation, the trier of fact must identify the elements of the claims, determine their meaning in light of the specification and prosecution history, and identify corresponding elements disclosed in the allegedly anticipating reference.” *Id.*, 221 USPQ at 485.

The Office has failed to identify each and every element of Applicant’s claims, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference, arranged as in the claims of Applicant’s claimed invention.

There are significant patentably distinguishable differences between the cited reference of Acosta et al and Applicant’s claimed invention. These differences arise from the fact that Applicant’s invention is a computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, whereas the Acosta invention is a computer-assisted method for auditing loan portfolios and loan servicing portfolios. The Acosta reference generates a checklist of questions regarding a loan type, requires the intervention of an auditor for providing answers to checklist questions, stores the auditor’s answers and

recommendations in an audit trail database, calculates an Exception Rate based on the auditor's answers, and generates management reports. Applicant's invention is a computer-implemented method that automatically determines loan compliance based on comparing computer-encoded rules derived from regulations with data in a loan compliance file, and notifies a user of an audit result. A comparison of the elements of the independent claims of Applicant's invention with the Acosta disclosure illustrates some of the patentably significant differences between the Acosta reference and Applicant's claimed invention.

8.11 Arguments for Independent Claim Rejections Under 35 U.S.C. § 102(e)

Turning to the first element of Applicant's independent claim 1, the first element of claim 1 comprises "allowing a user to display and enter loan audit compliance data, comprising the steps of receiving and displaying loan audit data on a user interface of a computer system and storing the loan audit data in a loan data database in the computer system". The Office alleges that column 2, lines 13-17 of the Acosta reference disclose the first element of Applicant's claim 1. Column 2, lines 13-17 of the Acosta reference describe storing a computer record for each loan in a portfolio on a server. There is no disclosure in Acosta of "allowing a user to display and enter loan audit compliance data, comprising the steps of receiving and displaying loan audit data on a user interface of a computer system and storing the loan audit data in a loan data database in the computer system".

Regarding the second element of Applicant's independent claim 1, the second element of claim 1 comprises "allowing a user to interactively build loan compliance rules, comprising the steps of enabling the user to interactively build loan compliance rules on a user interface of the computer system and storing the loan compliance rules in a loan compliance rules database in the computer system". To determine the meaning of this element in light of the specification,

reference is made to Applicant's specification on page 10, lines 9-15. "Rule building instructions and data 20 allow a user to build compliance rules using the base rule variables 22 and assembling them in math-like equations using operands (such as +, -, /, *, >, <, <=, >=, In) to represent a State or Federal requirement or restriction. A user interface 21, such as the rule building user interfaces shown in Fig. 7 and Fig. 8 allows a user to select the base variables and operands to assemble the desired rule and to store them in the rules library." In other words, according to Applicant's invention, the rules that a user is allowed to interactively build are computer instructions representing mathematical equations derived from laws and regulations. The Office alleges that column 2, lines 13-27 and column 5, lines 30-37 of the Acosta reference discloses the second element of Applicant's claim 1. Column 2, lines 13-27 of the Acosta reference describe storing on a server a computer record for each loan in a portfolio, server rules which comprise each current and historical legal regulation, a set of selectable audit types, a set of questions to determine compliance with each regulation or parameter, and a set of sampling criteria, selecting an audit sample subset and automatically creating and transmitting to an auditor client workstation the audit sample subset of records and checklist questions, and storing the auditor's answers to the checklist questions and any auditor recommendations. Column 5, lines 30-37 of the Acosta reference describe customized checklists that are stored in tables in a database, which serve different purposes, so each review should have a unique set of questions directly pertaining to the scope of the review. The Acosta reference describes "storing current legal regulations 13 and historical legal regulations 14 on the computer system..." (see Acosta column 3, lines 46-48). The Acosta reference further describe "Based on the legal regulations which apply to each loan or loans servicing record, either current legal regulations 13 or historical legal regulations 14, investor-specific parameters 15, and other criteria 16 are referred

to by the processor in generating a checklist 18. The checklist is customized to the aforementioned criteria, regulations, and parameters” (see Acosta column 5, lines 14-20). The Acosta reference also describes “Therefore, the checklist is prepared by the system for the auditor to use during the review, and the checkpoints or items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current or applicable regulations and other rules.” (see Acosta column 5, lines 51-56). In other words, Applicant’s disclosure allows a user to build computer-readable rules derived from regulations that are used for automatically determining compliance by a computer system. The Acosta reference describes a computer system for generating checklists derived from stored textual regulations that are used by an auditor to manually answer a set of related questions for calculating an Exception Rule (see Acosta column 5, lines 65-67 and column 6, lines 1-6). There is no disclosure in Acosta of “allowing a user to interactively build loan compliance rules, comprising the steps of enabling the user to interactively build loan compliance rules on a user interface of the computer system and storing the loan compliance rules in a loan compliance rules database in the computer system”. The Acosta disclosure merely describes storing textual copies of regulation and requirements, and does not disclose interactively building loan compliance rules.

Regarding the third element of Applicant’s independent claim 1, the third element of claim 1 comprises “responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of retrieving the loan compliance rules from the loan compliance rules database, retrieving the loan audit data from the loan data database, comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result, and notifying the loan audit request user of the determined loan audit compliance result.” The Office

alleges that column 2, lines 23-43, column 5, lines 52-59 and column 4, line 67 to column 8, line 7 of the Acosta reference disclose Applicant's "comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result". Column 2, lines 23-43 of the Acosta reference describe periodically adding questions to the set of questions to reflect new regulations, storing a set of sampling criteria comprising historical error rates, confidence levels and precision, automatically selecting an audit sample subset of records, automatically creating and transmitting to an auditor workstation the audit sample subset of records and a checklist of questions, storing auditor's answers to the checklist questions, storing auditors recommendations, and automatically generating management reports. Column 5, lines 52-59 of the Acosta reference describe a checklist prepared by the system for the auditor to use during the review, and the checkpoints or items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current or applicable regulations. Column 4, line 67 to column 8, line 7 describe the system for generating a checklist of questions for an auditor to answer for determining an Exception Rate, and tables of typical checklist questions and auditor recommendations. There is no disclosure in the Acosta reference of "comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result".

Applicant's loan compliance rules used by the software program for automatically determining compliance are patentably distinguishable from the checklist questions of Acosta for determining an Exception Rate based on manually entered auditor's answers to checklist questions. The Office also alleges that column 2, lines 48-56 and column 8, lines 51-67 of the Acosta reference disclose Applicant's "notifying the loan audit request user of the determined loan audit compliance result." Column 2, lines 48-56 of the Acosta reference describe hyperlinks to management reports, and audit reports and manager responses stored in an audit trail. Column 8,

lines 51-67 of the Acosta reference describe auditor ability to make recommendations, which may be stored on a computer, and management reports. There is no disclosure in the Acosta reference for “notifying the loan audit request user of the determined loan audit compliance result”. Applicant’s loan audit compliance result resulting from comparing loan compliance rules with loan audit data is patentably distinguishable from the checklist answers, recommendations, and management reports disclosed in the Acosta reference.

It should also be noted that, in addition to the arguments presented above and the lack of compliance rule building disclosure in Acosta, the compliance rules of Applicant’s invention are patentably distinguishable from the checklist questions presented to an auditor. This may be illustrated by comparing Applicant’s compliance rules shown in Figure 6 and Figure 8 of Applicant’s specification with the auditor checklist questions shown in Table 2 of the Acosta disclosure. As shown in Applicant’s Figure 6 and Figure 8, Applicant’s compliance rules comprise mathematical computations and comparisons with corresponding values in a loan data file, which are easily processed by a computer. To determine answers to the checklist questions shown in Table 2 of the Acosta disclosure, the skills of a trained auditor are required for determining answers to the checklist questions, which are not capable of being answered by computer logic, since they require human judgment.

Since the Office has failed to identify each and every element of Applicant’s claim 1, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Applicant’s claimed invention, there is insufficient basis to support a rejection of Applicant’s claim 1 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 1 should be withdrawn.

Turning to Applicant's independent claim 2, the Office has rejected the limitations of claim 2 by referencing similar rationale as presented with regard to claim 1. The rebuttal arguments presented above with regard to independent claim 1 apply equally to rebut the Office's allegations regarding independent claim 2. Furthermore, Applicant's claim 2 includes the limitations "using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system, and associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system". There is no disclosure of building loan compliance rules anywhere in the Acosta disclosure, and particularly in the passages cited by the Office (column 4, lines 7-20 and column 4, lines 50-66). Furthermore, there is no disclosure in Acosta of building loan compliance rules for all applicable licenses, or associating licenses with a loan originator to form a set of loan originator applicable licenses. There is no mention of licenses anywhere in the Acosta reference.

Since the Office has failed to identify each and every element of Applicant's claim 2, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Applicant's claimed invention, there is insufficient basis to support a rejection of Applicant's claim 2 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 2 should be withdrawn.

Turning to Applicant's independent claim 22, the Office has presented no arguments for the rejection of Applicant's claim 22. However, Applicant supports the arguments for

patentability of all limitations of claim 22 using the rationale presented above with regard to Applicant's claims 1 and 2.

Since the Office has failed to identify each and every element of Applicant's claim 22, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Applicant's claimed invention, there is insufficient basis to support a rejection of Applicant's claim 22 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 22 should be withdrawn.

Turning to Applicant's independent claim 25, the Office has rejected the limitations of claim 25 by referencing similar rationale as presented with regard to claim 1. The rebuttal arguments presented above with regard to independent claim 1 apply equally to rebut the Office's allegations regarding independent claim 25. Furthermore, Applicant's claim 25 includes the limitations "a loan audit server communicating with the user interface that allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions". There is no disclosure of allowing a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions anywhere in the Acosta disclosure, and particularly in the passages cited by the Office (column 4, lines 7-20 and column 4, lines 50-66).

Since the Office has failed to identify each and every element of Applicant's claim 25, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Applicant's claimed invention, there is insufficient basis to support a rejection of

Applicant's claim 25 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 25 should be withdrawn.

8.12 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 102(e)

Applicant's dependent claims 3-21 and 23 depend on independent claim 2, dependent claim 24 depends on independent claim 22, and dependent claims 26-42 depend on independent claim 25. These dependent claims are either directly or indirectly dependent on independent claims 2, 22 and 25, and therefore incorporate all the limitations of the corresponding independent claims while providing further novel and patentable recitations. Since the case for anticipation of the independent claims is unsupported by the references cited by the Office, as shown above, the rejections of these dependent claims based on anticipation are also unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 3, dependent claim 3 recites the limitation "building rules for all applicable licenses available within the geographic boundary using compliance base rule variables and rule building instructions and storing the loan compliance rules in a rule library database in the computer system." The Office alleges that this limitation is taught by Acosta in column 4, lines 11-66, which discusses different types of audits, with each type of audit having a unique set of question to be answered by an auditor. Column 4, lines 57-60 recites, "Thus the questions are in effect rules which are called up when an included type of audit is requested, ..." The Office appears to be equating the questions described in the Acosta reference with building rules using compliance base variables and rule building instructions, as in claim 3 and described on page 10, lines 3-22 of Applicant's specification. There is no correlation, similarity or equivalence between the questions described by Acosta and the building of rules disclosed by Applicant. There is no disclosure in the Acosta reference of

building rules using compliance base variables and rule building instructions. The rejection of dependent claim 3 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 4, dependent claim 4 recites the limitation "building rules for all licenses available within the geographic boundary using the compliance base rule variables and rule building instructions further comprises allowing the user to add a new license to the applicable licenses available and allowing a user to build new rules for the new license." The Office alleges that this limitation is taught by Acosta in column 4, lines 11-66 and in column 9, lines 50-67. The reference to column 4, lines 11-66, as discussed above, has been shown to be of no relevance, and the passage in column 9, lines 50-67 merely discuss "rules which comprise each current and historical legal regulation...", a selected audit criteria checklist, an auditor's answer to the checklist and recommendations. Also, as noted above there is no disclosure of building rules for licenses in the Acosta reference, nor is there any disclosure in the Acosta reference of building rules using the compliance base rule variables and rule building instructions. The rejection of dependent claim 4 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 5, claim 5 includes the limitation "storing the loan compliance rules in a rule library database in the computer system." Although the Acosta reference may describe storing rules in a server, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. The rejection of dependent claim 5 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 6, claim 6 includes the limitation "if a rule exists in the rule library database for a license, allowing the user to review the rule." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 5, lines 8-50, there is no disclosure in this passage or anywhere else in Acosta of rules corresponding to licenses. The rejection of dependent claim 6 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 7, claim 7 includes the limitation "if a rule exists in the rule library database for a license, allowing the user to change the rule." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 5, lines 30-50, there is no disclosure in this passage or anywhere else in Acosta of rules corresponding to licenses. The rejection of dependent claim 7 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 8, claim 8 includes the limitation "allowing the user to modify the loan compliance rules in the rule library database." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 5, lines 30-50 and column 4, lines 50-60, there is no disclosure in these passages or anywhere else in Acosta of rules corresponding to licenses.

The rejection of dependent claim 8 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 9, claim 9 includes the limitation "the compliance base rule variables represent data elements in a loan file in the loan data database." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 3, lines 37-50, there is no disclosure in this passage or anywhere else in Acosta of compliance base rule variables, which are used to build compliance rules according to Applicant's claims and specification. The rejection of dependent claim 9 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 10, claim 10 includes the limitation "the rule building instructions comprise allowing the user to build rules by specifying equations using base rule variables." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 5, line 65 to column 6, line 67, there is no disclosure in this passage or anywhere else in Acosta of rule building instructions or building compliance rules by specifying equations using base rule variables, according to Applicant's claims and specification. The rejection of dependent claim 10 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 11, claim 11 includes the limitation "the rule building instructions comprise controlling the rule building process to eliminate rule errors." Although the Office has cited column 5, line 65 to column 8, line 50, there is no

disclosure in this passage or anywhere else in Acosta of rule building instructions or controlling the rule building process to eliminate rule errors, according to Applicant's claims and specification. The rejection of dependent claim 11 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 12, claim 12 includes the limitation "associating the loan compliance rules with a license to form a set of assigned compliance rules." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 4, lines 11-20, there is no disclosure in this passage or anywhere else in Acosta of licenses or of associating the loan compliance rules with a license. The rejection of dependent claim 12 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 16, claim 16 includes the limitation "allowing a user to identify and store applicable exemptions to the government license requirements in the assigned compliance rules." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations, whereas Applicant's rules are math-like structure capable of being executed by a computer system. Although the Office has cited column 8, lines 50-60 and column 4, lines 11-20, there is no disclosure in these cited passages or anywhere else in Acosta of identifying and storing applicable exemptions to the government license requirements in assigned compliance rules. The rejection of dependent claim 16 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claims 17, 19 and 20, claims 17, 19 and 20 disclose the limitations "the government loan originator requirements are state loan

requirements’, “the licensing requirements are state licensing requirements” and “the licensing requirements are federal licensing requirements”, respectively. Although the Office has cited column 3, line 55 to column 4, line 50, there is no disclosure in this passage or anywhere else in Acosta of state loan requirements, state licensing requirements or federal licensing requirements. The rejection of dependent claims 17, 19 and 20 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant’s dependent claim 31, claim 31 includes the limitation “the loan compliance rules are built by the user using the user interface.” As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations. More particularly, as described in Acosta column 4, lines 51-60, questions, which are derived from legal regulations to form checklists, are in effect rules that are called up when an audit is requested that includes the particular questions. Applicant’s rules are math-like structure capable of being executed by a computer system. There is no disclosure anywhere in Acosta of building loan compliance rules as disclosed in Applicant’s claims and specification. The rejection of dependent claim 31 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant’s dependent claim 32, dependent claim 32 recites the limitation “interactively building a set of loan compliance rules comprises using applicable licenses for the state, the user builds rules for all licenses available within the state using the compliance base rule variable and rule building instructions and stores the rules in a rule library, and using the applicable licenses, the user associates the applicable licenses with a loan originator to form the loan originator applicable licenses.” The Office alleges that this limitation is taught by Acosta in column 3, line 55 to column 5, line 50, which discusses different types of

audits, with each type of audit having a unique set of question to be answered by an auditor.

Column 4, lines 57-60 recites, “Thus the questions are in effect rules which are called up when an included type of audit is requested, ...” The Office is equating the questions described in the Acosta reference with building rules using compliance base variables and rule building instructions, as in claim 32 and described on page 10, lines 3-22 of Applicant’s specification.

There is no correlation, similarity or equivalence between the questions described by Acosta and the building of rules disclosed by Applicant. There is no disclosure in the Acosta reference of building rules using compliance base variables and rule building instructions. Nor is there any disclosure in Acosta of licenses. The rejection of dependent claim 32 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant’s dependent claim 33, claim 33 includes the limitation “in comparing the loan compliance rules with the loan data, the loan audit server identifies a loan type and loan originator, retrieves the applicable licenses for the loan type and the loan originator, retrieves the loan compliance rules associated with the applicable licenses from the stored rules in the rule library, compares the loan compliance rules to the loan data, and compiles the loan audit results.” The Office alleges that this limitation is taught by Acosta in column 3, line 55 to column 5, line 50, which discusses different types of audits, with each type of audit having a unique set of question to be answered by an auditor. There is no disclosure in this passage or anywhere else in Acosta of a server executing instruction to automatically sequence the steps of Applicant’s claim 33. The Acosta reference requires intervention by an auditor using checklist questions. The rejection of dependent claim 33 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 40, claim 40 includes the limitation "storing the loan audit results on media selected from the group consisting of a hardcopy report, a tape, a film and a CD-ROM." There is no disclosure in the Acosta reference of storing loan audit results on a tape, film or CD-ROM. The rejection of dependent claim 40 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Applicant's dependent claim 41, claim 41 includes the limitation "loan compliance rules comprise compliance based rule variables, rule building instructions, a compliance rules data library, assigned compliance rules, a list of government licenses for loan originators, and data application rules." Although the Office has cited columns 4-6 of Acosta, there is no disclosure in this passage or anywhere else in Acosta of compliance based rule variables, rule building instructions, a compliance rules data library, assigned compliance rules, a list of government licenses for loan originators, or data application rules, according to Applicant's claims and specification. The rejection of dependent claim 41 based on anticipation is unsupported by the cited reference and should be withdrawn.

8.13 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 103(a)


Applicant's dependent claim 21 depends on independent claim 2, and dependent claims 34-38 and 40 depend on independent claim 25. These dependent claims are either directly or indirectly dependent on independent claims 22 and 25, and therefore incorporate all the limitations of the corresponding independent claims while providing further novel and patentable recitations. Since the case for anticipation of the independent claims is unsupported by the references cited by the Office, as shown above, the rejections of these dependent claims based on anticipation are also unsupported by the cited reference and should be withdrawn.

9. SUMMARY

In summary, the responses detailed above rebut the assertions by the Office of anticipation of Applicant's invention, and substantiate the novelty of claims 1-42 under 35 U.S.C. § 102(e) as being patentable over the reference of Acosta et al, U.S. Patent No. 6,643,625. Since the rejections are unsupported for failure to find all of Applicant's claim limitations in the cited reference, the Office has failed to establish a case for anticipation. Applicant requests reversal of all rejections and that the application be allowed to issue.

Respectfully Submitted,

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Date



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APPENDIX A

Claims on Appeal

APPENDIX A**Claims on Appeal**

1. (previously presented) A computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, comprising the steps of:
 - a. allowing a user to display and enter loan audit compliance data, comprising the steps of:
 - i. receiving and displaying loan audit data on a user interface of a computer system; and
 - ii. storing the loan audit data in a loan data database in the computer system;
 - b. allowing a user to interactively build loan compliance rules, comprising the steps of
 - i. enabling the user to interactively build loan compliance rules on a user interface of the computer system; and
 - ii. storing the loan compliance rules in a loan compliance rules database in the computer system; and
 - c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:
 - i. retrieving the loan compliance rules from the loan compliance rules database;
 - ii. retrieving the loan audit data from the loan data database;
 - iii. comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result; and
 - iv. notifying the loan audit request user of the determined loan audit compliance result.

2. (previously presented) A computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, comprising the steps of:

- a. allowing a user to display and enter loan audit compliance data, comprising the steps of:
 - i. receiving and displaying loan audit data on a user interface of a computer system; and
 - ii. storing the loan audit data in a loan data database in the computer system;
- b. allowing a user to interactively build loan compliance rules on a user interface of the computer system, comprising the steps of:
 - i. using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system; and
 - ii. associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system; and
- c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:
 - i. identifying a loan type and loan originator;
 - ii. retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database;
 - iii. retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database;

- iv. retrieving the loan audit data from the loan data database;
 - v. comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result; and
 - vi. notifying the loan audit request user of the determined loan audit compliance result.
3. (previously presented) The method of claim 2 further comprising building rules for all applicable licenses available within the geographic boundary using compliance base rule variables and rule building instructions and storing the loan compliance rules in a rule library database in the computer system.
4. (original) The method of claim 3 wherein building rules for all licenses available within the geographic boundary using the compliance base rule variables and rule building instructions further comprises:
- allowing the user to add a new license to the applicable licenses available; and
 - allowing a user to build new rules for the new license.
5. (previously presented) The method of claim 2 further comprising storing the loan compliance rules in a rule library database in the computer system.
6. (previously presented) The method of claim 5 further comprising, if a rule exists in the rule library database for a license, allowing the user to review the rule.
7. (previously presented) The method of claim 5 further comprising, if a rule exists in the rule library database for a license, allowing the user to change the rule.
8. (previously presented) The method of claim 5 further comprising allowing the user to modify the loan compliance rules in the rule library database.
9. (previously presented) The method of claim 3 wherein the compliance base rule variables represent data elements in a loan file in the loan data database.

10. (original) The method of claim 3 wherein the rule building instructions comprise allowing the user to build rules by specifying equations using base rule variables.
11. (original) The method of claim 10 wherein the rule building instructions comprise controlling the rule building process to eliminate rule errors.
12. (original) The method of claim 2 further comprising associating the loan compliance rules with a license to form a set of assigned compliance rules.
13. (original) The method of claim 2 wherein the geographic boundary is a state.
14. (previously presented) The method of claim 5 wherein the user displays and enters loan data using a user interface embodied in a computer processor that communicates with the rule library database via a communications network.
15. (original) The method of claim 14 wherein the communications network is a global communications network.
16. (original) The method of claim 12 further comprising allowing a user to identify and store applicable exemptions to the government license requirements in the assigned compliance rules.
17. (previously presented) The method of claim 13 wherein the government loan originator requirements are state loan requirements.
18. (previously presented) The method of claim 13 wherein the government loan originator requirements are federal loan requirements.
19. (original) The method of claim 13 wherein the licensing requirements are state licensing requirements.
20. (original) The method of claim 13 wherein the licensing requirements are federal licensing requirements.

21. (original) The method of claim 14 wherein the communications network is selected from the group consisting of a satellite communication network, a telephone communication network, a microwave transmission network, a radio communication network and a wireless telephone communication network.

22. (original) A computer implemented method for auditing loan compliance with government and loan lending requirements, comprising:

- a. electronically transferring loan data from a user interface embodied in a computer processor to a loan audit server computer over a communications network;
- b. at the user interface computer, allowing a user to interactively build loan compliance rules using compliance based rule variables and rule building instructions comprising:
 - i. using licenses applicable to the state, building rules for all applicable licenses available within the state; and
 - ii. associating the applicable licenses with a loan originator to form a list of loan originator applicable licenses and storing the loan originator applicable licenses;
- c. storing the loan compliance rules in a database connected to the loan audit server computer;
- d. in response to a loan audit request:
 - i. identifying a loan type and the loan originator;
 - ii. retrieving the applicable licenses for the loan type and the loan originator by the loan server;
 - iii. retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server;

- iv. comparing the loan compliance rules to loan data to determine loan audit compliance results by the loan server; and
- v. electronically transferring the loan audit compliance results from the loan server to the user over a communications network.

23. (original) A software program embodied on a computer-readable medium incorporating the method as recited in claim 2.

24. (original) A software program embodied on a computer-readable medium incorporating the method as recited in claim 22.

25. (original) A system for auditing loan compliance with government and loan lending requirements, comprising:

- a. a user interface for displaying and entering loan audit compliance data; and
- b. a loan audit server communicating with the user interface that:
 - i. allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions;
 - ii. stores the loan compliance rules;
 - iii. in response to a loan audit request:
 - (i) identifies a loan type;
 - (ii) determines the loan compliance rules that apply to the loan type;
 - (iii) compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results.

26. (original) The system of claim 25 wherein the loan audit results are displayed to the user via the user interface.

27. (original) The system of claim 25 wherein the user interface is embodied in a computer processor that communicates with the loan audit server via a communications network.
28. (original) The system of claim 25 wherein the loan audit server comprises a global communications network ("web") data server capable of transmitting and receiving loan data to and from the user via a global communications network.
29. (original) The system of claim 27 wherein the communications network is the Internet.
30. (original) The system of claim 25 further comprising storing the loan audit results in an audit compliance report.
31. (original) The system of claim 25 wherein the loan compliance rules are built by the user using the user interface.
32. (original) The system of claim 25 wherein interactively building a set of loan compliance rules comprises:
- using applicable licenses for the state, the user builds rules for all licenses available within the state using the compliance base rule variable and rule building instructions and stores the rules in a rule library; and
 - using the applicable licenses, the user associates the applicable licenses with a loan originator to form the loan originator applicable licenses.
33. (original) The system of claim 32 wherein in comparing the loan compliance rules with the loan data, the loan audit server:
- identifies a loan type and loan originator;
 - retrieves the applicable licenses for the loan type and the loan originator;
 - retrieves the loan compliance rules associated with the applicable licenses from the stored rules in the rule library;

compares the loan compliance rules to the loan data; and
compiles the loan audit results.

34. (original) The system of claim 27 wherein the communications network comprises a satellite communication network.

35. (original) The system of claim 27 wherein the communications network comprises a telephone communication network.

36. (original) The system of claim 27 wherein the communications network comprises a microwave transmission network.

37. (original) The system of claim 27 wherein the communications network comprises a radio communication network.

38. (original) The system of claim 27 wherein the communications network comprises a wireless telephone communication network.

39. (original) The system of claim 25 further comprising a generating a hardcopy of the loan audit results.

40. (original) The system of claim 25 further comprising storing the loan audit results on media selected from the group consisting of a hardcopy report, a tape, a film and a CD-ROM.

41. (original) The system of claim 25 wherein loan compliance rules comprise:

compliance based rule variables;
rule building instructions;
a compliance rules data library;
assigned compliance rules;
a list of government licenses for loan originators; and
data application rules.

42. (previously presented) The system of claim 25 wherein the user interface communicates with a web browser for transmitting and receiving the loan data and the loan audit results.



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